



February 28, 2011

Mrs. Jocelyn Boyd
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, South Carolina 29210

Dear Mrs. Boyd:

In compliance with the Public Service Commission's Order No. 18,100 in Docket No. 17,134 dated January 15, 1975; a request from the Executive Director dated September 30, 1987; Order Nos. 88-864 and 88-971 in Docket No. 88-11-E; and the officer verification certification enacted by the Commission on December 17, 2002, Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. submits the following information per its books and as adjusted for the 12-month period ending December 31, 2010:

1. Officer verification certificate
2. System Rate of Return on Rate Base - Exhibit A1
3. South Carolina Rate of Return on Rate Base - Exhibit A2
4. Return on Common Equity (Allocated to South Carolina Retail) - Exhibit B
5. Earnings Per Share on Progress Energy's Common Stock - \$2.95
6. Debt Coverage Ratio or Earnings to Fixed Charges - 5.25 times

The allocations and adjustments required to determine the information requested in the Commission's orders and request are in general accordance with the allocation methodology described by the Commission in our most recent general rate case (Docket No. 88-11-E, Order No. 88-864). The level of detail encompassed in this report is not sufficient for ratemaking purposes.

Attached is a copy of this report, which I request that you stamp and return to me. If you have any questions or concerns, please call me at 919-546-2559. *✓de*

Sincerely,

M. Scott Foster
Manager - PEC Regulatory & Property Accounting
Progress Energy Service Company

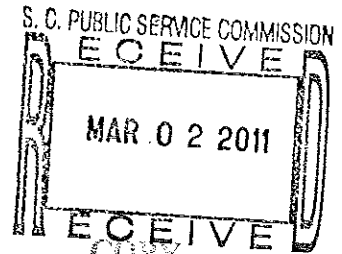
c: John Flitter

Enclosure

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PS&SC
CLERK'S OFFICE



Posted: *lod*

Dept: *SA*

Date: *3/3/11*

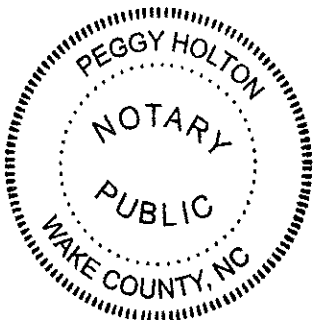
Time: *9:40*

CERTIFICATION

(Certification must be signed by the Chief Financial Officer)

I, Mark F. Mulhern, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2010 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.



Mark F. Mulhern
Mark F. Mulhern
Chief Financial Officer
Progress Energy, Inc.
2/28/11
Date Signed

Subscribed and Sworn to before me this 28th day of February, 2011.

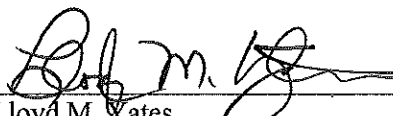
Peggy Holton
Notary Public
My Commission Expires: June 25, 2011

CERTIFICATION

(Certification must be signed by the Chief Executive Officer)

I, Lloyd M. Yates, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2010 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.




Lloyd M. Yates
President & Chief Executive Officer
Progress Energy Carolinas, Inc.

2/25/2011

Date Signed

Subscribed and Sworn to before me this 25th day of February, 2011.



Notary Public
My Commission Expires: 8/8/14

PROGRESS ENERGY CAROLINAS
SC QUARTERLY REPORT
PER BOOKS AND ADJUSTED COS STUDY
FOR THE TEST YEAR ENDED DECEMBER 31, 2010

SYSTEM TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	4,921,811,016	-	4,921,811,016
OPERATING EXPENSE:			
NET O&M EXPENSES	3,147,011,572	(11,138,924)	3,135,872,648
DEPRECIATION	479,491,405	51,641,056	531,132,461
TAXES (OTHER THAN INCOME)	217,663,262	3,307,544	220,970,806
INCOME TAX - STATE	12,761,620	(3,536,164)	9,225,456
INCOME TAX - FEDERAL	73,153,439	(14,679,871)	58,473,568
PROV. FOR DEFERRED TAXES	292,362,058	(21,381,553)	270,980,505
INVESTMENT TAX CREDIT	(5,732,040)	-	(5,732,040)
TOTAL OPERATING EXPENSE	4,216,711,316	4,212,088	4,220,923,404
INCOME FOR RETURN:			
OPERATING INCOME	705,099,700	(4,212,088)	700,887,612
CUSTOMER GROWTH	1,973,405	(11,789)	1,961,616
INTEREST ON CUST. DEPOSITS	(6,379,498)	-	(6,379,498)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	700,693,607	(4,223,877)	696,469,730
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	16,935,384,029	624,064,850	17,559,448,879
PLANT HELD FOR FUTURE USE	12,382,219	-	12,382,219
RESERVE FOR DEPRECIATION	(8,876,257,088)	(54,650,770)	(8,930,907,858)
NET PLANT IN SERVICE	8,071,509,160	569,414,080	8,640,923,240
NUCLEAR FUEL INVENTORY	479,812,054	-	479,812,054
DEFERRED TAXES - LIB. DEPR.	(1,608,397,481)	114,511,754	(1,493,885,727)
REGULATORY ASSETS	757,554,117	(115,781,741)	641,772,376
WORKING CAPITAL:			
MATERIALS & SUPPLIES	653,582,974	21,666,850	675,249,824
CASH WORKING CAPITAL	484,221,734	-	484,221,734
UNCLAIMED REFUNDS	-	-	-
PREPAYMENTS	8,458,483	-	8,458,483
TAX ACCRUALS	(29,042,625)	-	(29,042,625)
CUSTOMER DEPOSITS	(106,012,666)	-	(106,012,666)
OPERATING RESERVES	(728,782,981)	-	(728,782,981)
CUSTOMER ADVANCES FOR CONSTR.	(18,670,399)	-	(18,670,399)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	263,754,520	21,666,850	285,421,370
TOTAL RATE BASE	7,964,232,370	589,810,943	8,554,043,313
RATE OF RETURN (%)	8.80		8.14

PROGRESS ENERGY CAROLINAS
SC QUARTERLY REPORT
PER BOOKS AND ADJUSTED COS STUDY
FOR THE TEST YEAR ENDED DECEMBER 31, 2010

S.C. RETAIL TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	568,332,553	-	568,332,553
OPERATING EXPENSE:			
NET O&M EXPENSES	428,720,959	(1,576,160)	427,144,799
DEPRECIATION	69,458,980	7,183,929	76,642,909
TAXES (OTHER THAN INCOME)	14,827,874	476,389	15,304,263
INCOME TAX - STATE	3,313,989	(747,717)	2,566,272
INCOME TAX - FEDERAL	(34,213,343)	(2,167,391)	(36,380,734)
PROV. FOR DEFERRED TAXES	50,848,716	(3,035,372)	47,813,344
INVESTMENT TAX CREDIT	(818,382)	-	(818,382)
TOTAL OPERATING EXPENSE	532,138,793	133,679	532,272,471
INCOME FOR RETURN:			
OPERATING INCOME	36,193,760	(133,679)	36,060,083
CUSTOMER GROWTH	5,445	(20)	5,425
INTEREST ON CUST. DEPOSITS	(516,581)	-	(516,581)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	35,682,624	(133,699)	35,548,926
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	2,436,999,755	89,884,597	2,526,884,352
PLANT HELD FOR FUTURE USE	1,783,422	-	1,783,422
RESERVE FOR DEPRECIATION	(1,265,868,544)	(7,777,614)	(1,273,646,158)
NET PLANT IN SERVICE	1,172,914,633	82,106,983	1,255,021,616
NUCLEAR FUEL INVENTORY	69,212,624	-	69,212,624
DEFERRED TAXES - LIB. DEPR.	(251,505,189)	16,166,142	(235,339,047)
REGULATORY ASSETS	119,401,313	(16,676,144)	102,725,169
WORKING CAPITAL:			
MATERIALS & SUPPLIES	100,563,130	13,419,581	113,982,711
CASH WORKING CAPITAL	67,338,506	-	67,338,506
UNCLAIMED REFUNDS	-	-	-
PREPAYMENTS	1,384,223	-	1,384,223
TAX ACCRUALS	(3,530,461)	-	(3,530,461)
CUSTOMER DEPOSITS	(16,276,594)	-	(16,276,594)
OPERATING RESERVES	(103,873,107)	-	(103,873,107)
CUSTOMER ADVANCES FOR CONSTR.	(2,485,937)	-	(2,485,937)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	43,119,761	13,419,581	56,539,342
TOTAL RATE BASE	1,153,143,142	95,016,561	1,248,159,702
RATE OF RETURN (%)	3.09		2.85

PROGRESS ENERGY CAROLINAS
S.C. QUARTERLY REPORT
S.C. RETAIL - RETURN ON COMMON EQUITY
FOR THE TEST YEAR ENDED DECEMBER 31, 2010

"PER BOOKS"

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	3,688,065,629	40.03%	461,603,200	5.01%	23,126,320
PREFERRED STOCK	59,333,982	0.64%	7,380,116	5.56%	410,334
COMMON EQUITY	5,466,936,694	59.33%	684,159,826	1.78%	12,145,969
TOTAL CAPITALIZATION	9,214,336,305	100.00%	1,153,143,142		35,682,624

"ADJUSTED"

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	3,688,065,629	40.54%	506,003,943	5.01%	25,350,798
PREFERRED STOCK	59,333,982	0.65%	8,113,038	5.56%	451,085
COMMON EQUITY	5,350,614,487	58.81%	734,042,721	1.33%	9,747,044
TOTAL CAPITALIZATION	9,098,014,098	100.00%	1,248,159,702		35,548,926